

Iowa Department of Inspections and Appeals

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Owners and Operators of Amusement Devices Urged to Register With DIA

DES MOINES, IOWA - Iowans who own, operate or distribute electrical and mechanical amusement devices in the state must immediately begin to register their devices with the Iowa Department of Inspections and Appeals (DIA) or potentially face criminal prosecution, DIA Director Steve Young said today. Individuals who manufacture amusement devices and those who represent manufacturers also must register with DIA if they intend to make amusement devices available for sale or use in Iowa.

Beginning February 11, agents with the Iowa Division of Criminal Investigations (DCI) and local law enforcement officials may confiscate any device that is not registered with DIA. A state-issued sticker prominently displayed on the front of the device is evidence that the device is properly registered, Young added.

The amusement devices required to be registered with DIA are those devices that issue a ticket or token worth up to \$5 in merchandise redeemable on the premises where the machine is located, the Director explained. The outcome of the game played on the device is not dependant upon the player's skill or knowledge. According to DCI estimates, there may be as many as 10,000 electrical and mechanical amusement devices in operation in Iowa, all of which must be registered with DIA in order to comply with a newly enacted state law.

"Last year the Iowa General Assembly passed a law requiring that certain electrical and

mechanical amusement devices be registered with the department,” Young continued, adding: “Amusement devices are not new in the state of Iowa. There have been such devices and games in Iowa for many, many years. However, law enforcement officials were becoming concerned about the proliferation of these devices, especially those that resemble slot machines and can be adapted to pay out cash prizes.”

As a result of the concern, legislators made adjustments to the state’s social and charitable gambling laws to require the registration of amusement devices that pay out prizes, as well as the registration of manufacturers, manufacturers’ representatives, and distributors of amusement devices. Each device registered with DIA must have a state-issued sticker permanently affixed to the front of the machine and visible to the general public. The annual cost of registering an electrical and mechanical amusement device is \$25 per machine.

Additional restrictions on the use of electrical and mechanical amusement devices include the following:

- * Amusement devices may only be purchased or leased from a manufacturer, manufacturer's representative or distributor registered with DIA.
- * Qualified organizations exempt from federal income tax may have up to four (4) amusement devices per location; all other entities may only have two (2) devices per location.

“The law further provides that a manufacturer, manufacturer’s representative, or distributor of an electrical and mechanical amusement device also must be registered with DIA if the individual intends to make a device available for sale or use in the state of Iowa,” Young said. The annual registration fee for a manufacturer, manufacturer’s representative or distributor is \$2,500 per category.

To facilitate the registration of amusement devices and those individuals who make, sell, or promote their use, the department worked with the state’s Information Technology Enterprise (ITE) to establish an online registration system. Amusement device owners and operators, as well as those individuals required by law to register with DIA can access an Internet-based registration system where they can list any devices in their possession and pay the appropriate registration fee, the Director said.

The system, referred to as the Gaming Machine Management System (GMMS), can be accessed through DIA's web site at www.state.ia.us/government/dia. Information about the registration of amusement devices as well as restrictions on their use can also be found on the department's web site. Since its inception last September 26, nearly 1,500 individual devices have been registered via the GMMS online system. In addition to the devices, 29 distributors and two manufacturer's representatives have registered with the department.

Failure to register an amusement device with DIA may result in the refusal to issue a registration or the revocation of an existing registration. The revocation of a registration can last for a period of up to two years. Individuals found to have amusement devices in violation of Iowa law can have their devices confiscated by law enforcement officials and can face possible criminal prosecution.

The department's Social and Charitable Gambling Unit is responsible for the registration of electrical and mechanical amusement devices. Individuals with questions about the new law may contact the Unit at (515) 242-5264.

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